

Message Text

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64

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 DRC-01 /145 W

----- 001991

R 052256Z APR 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC 2105

INFO AMEMBASSY QUITO

AMEMBASSY CARACAS

AMCONSUL CALI

AMCONSUL MEDELLIN

LIMITED OFFICIAL USE BOGOTA 2909

EO 11652: NA

TAGS: ENRG CO

SUBJ: ENERGY: GOC PURCHASES EXXON REFINERY

1. GOC ANNOUNCED APR 4 PURCHASE BY ECOPETROL, STATE OWNED OIL COMPANY, OF INTERCOL (EXXON) REFINERY IN CARTEGENA. TOTAL SALE PRICE FOR 46,000 BARREL PER DAY REFINERY WAS 35 MILLION DOLLARS. TERMS WERE 8.75 MILLION CASH AND REMAINDER OVER THREE YEARS AT FIXED 8 PERCENT INTEREST. ECOPETROL WILL PAY ADDITIONAL 110 MILLION PESOS (APPROX 4.3 MILLION DOLS) IN LOCAL CURRENCY FOR EXISTING STOCKS. SALE ALSO INCLUDED INTERCOL'S REMAINING SHARE OF PACIFIC PIPELINE.

2. NEGOTIATIONS HAD BEEN UNDERWAY FOR SOME FORM OF PURCHASE DURING PAST NINE MONTHS. EMBASSY UNDERSTANDS THAT ECOPETROL WOULD HAVE PREFERRED TO WAIT UNTIL INTERCOL COMPLETED PROJECTED 14,000 B/D EXPANSION IN ORDER TO AVOID INTRICACIES OF OFFICIAL EXPANSION PROJECT. HOWEVER, PRESIDENT PASTRANA WAS ANXIOUS TO COMPLETE TRANSACTION BEFORE ELECTIONS. INTERCOL IS SATISFIED

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WITH SALE AND INDICATES THAT PRICE WAS ARRIVED AT ON STRICTLY

ECONOMIC BASIS WITH NO NATIONALISTIC PRESSURE TACTICS INVOLVED.

3. ALTHOUGH REFINERY PRESENTLY OFFERS REASONABLE PROFITS,
CRUDE SHORTAGE PROJECTED FOR NEAR FUTURE COULD HAVE CREATED
DIFFICULTY RE INTEGRATION AND ALLOCATION OF AVAILABLE DOMESTIC
AND IMPORTED STOCKS. WITH THIS PURCHASE, ECOPETROL NOW CONTROLS
95 PERCENT OF COLOMBIAN REFINERY CAPACITY AND SHOULD BE ABLE TO
INTEGRATE MORE COMPLETELY TOTAL REFINERY ACTIVITY.
VAKY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Draft Date: 05 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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To: STATE
Type: TE
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